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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

7009 SEP -9 P 2: 26

AS CORP COMMISSION DOCKET CONTROL

6 IN THE MATTER OF ARIZONA PUBLIC SERVICE COMPANY AND VERIZON

CALIFORNIA, INC.'S JOINT PETITION FOR THE ESTABLISHMENT OF AN UNDERGROUND

CONVERSION SERVICE AREA.

DOCKET NO. E-01345A-07-0663 DOCKET NO. T-01846B-07-0663

## STAFF'S REPLY BRIEF

The following is Utilities Division of the Arizona Corporation Commission ("Staff") reply to the Post Hearing briefs filed by Arizona Public Service Company ("APS"), Verizon California, Inc ("Verizon") and Hillcrest Bay, Inc. ("HBI"). While APS, Verizon and Staff reach similar conclusions, albeit taking different approaches, these parties agree that the Petition should be dismissed. HBI continues to offer continuing support for the Petition and urges its approval by the Commission.

Staff did not find the arguments of HBI persuasive to prompt a change in Staff's position as set forth in its post hearing brief. Staff maintains that in light of the economic climate, the testimony of those homeowners who state that they cannot afford the costs associated with the conversion and the waning public support for the underground conversion project; Staff would recommend dismissal of the Petition.

RESPECTFULLY submitted this 9<sup>th</sup> day of September, 2009.

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Arizona Comporation Commission
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Robin R. Mitchell

Attorney, Legal Division

Arizona Corporation Commission

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1	Original and thirteen (13) copies of the foregoing were filed this
2	9 <sup>th</sup> day of September, 2009 with:
3	Docket Control Arizona Corporation Commission
4	1200 West Washington Street Phoenix, Arizona 85008
5	Copy of the foregoing mailed/emailed this
6	9 <sup>th</sup> day of September, 2009 to:
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